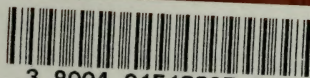


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# HOUSE OF COMMONS

## SPEECHES

BY

MR. BLAKE, M.P.,

On 9th & 10th JUNE, 1902,

ON

THE FINANCE BILL.

[CORN TAX.]

### I.—ON MOTION TO POSTPONE THE RESOLUTION.

(5.35.) MR. BLAKE (Longford, S.) said the discussion had evidenced in a concrete form the viciousness of the course which the Government proposed that the House should take, and the utter disregard which it involved of the ordinary precautions taken in financial questions of this kind. Had the recognised and settled foundation of their financial principles been maintained on that occasion, it would have been quite impossible for such a discussion to take place. It would have been impossible that such doubt and difference should exist as to the excess of the Ways and Means proposed over duly estimated Supplies. He would not enter into figures, but was disposed to agree with the Member for King's Lynn in his large estimate of that excess. Why this doubt and dispute? It was because they had departed from what had been the established, and, up to now, as far as he knew, the invariable practice of the House of Commons that it should have laid before it in detail first of all what were the estimates of expenses which those responsible for the government of the country thought should be demanded in the interests of the nation during the year. This gave the House the opportunity of

satisfying itself as to the amount which ought to be provided. Then, and not till then, came the consideration of the question — what should be the ways and means? Ways for what, means for what? The ways to provide and the means to make good that Supply which the Estimates of the year had indicated to the satisfaction of the House were required for the public service of the country. But they had not yet had the usual and proper opportunity of satisfying themselves that the gross amount raised by the various resources of loan, old taxes, and this additional taxation ought to be provided, not for the purposes originally named, but for other purposes under the new conditions. That was the difficulty which arose, because the Chancellor of the Exchequer found it convenient and in the public interest, upon the whole, to proceed with his Budget at a period when the finances of the country could not be absolutely arranged—matters being in the balance—at a period when the peace negotiations were about to commence. Notwithstanding, he considered it necessary at once to bring in a war Budget and to make a war Statement. It was on that basis that the Supplies were voted, the

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loan granted and the taxes proposed. It was quite true that the Chancellor threw out a vague alternative idea, and, in a mere sketch, a mere adumbration of a plan, spoke of some millions of money which might not be required, and of many more millions which might be otherwise employed, if the peace negotiations were successfully concluded. But who in the world would dare suggest that that adumbration would have been adequate ground for voting that money directly for those vague purposes? No one. Estimates would have been demanded. Still less could it be solid ground when the mind of the House and country was at the moment fixed, not on the sketch, but wholly on the war estimates presented. No one would have been bold enough, upon the sketch thus propounded to the House, to say that they should agree to the Budget then brought down. It was thrown out as something which might satisfy the House, that a good deal of money would be required anyway, but that there was a possibility that they would have to reconsider those Estimates, because some other method of spending that money, or some other wants, would be brought forward in case the negotiations were successful. The vicious course was repeated, which had been pursued in the previous year, of asking, even on the war basis, for more money than was specifically estimated for. From the tone of the Chancellor of the Exchequer's remarks that day, he rather suspected that it was intended that a very large proportion of the money voted by the House for pay for the Army and other expenses of carrying on the war would be otherwise used without the House having any further opportunity to vote upon it—that was to say, used for quite different purposes, for purposes connected with the end of the war, when the arrangements would be quite different, as they would have to do wholly with peace instead of wholly with war. These arrangements would demand as much consideration from the economical point of view as could be conceived, and would require far more scrutiny than any ordinary arrangements in peace times. But, as to these many millions, he feared there would be no check at all; and, as to the rest, there would be no effective check. Money voted for specific proposed

charges would be spent on quite different charges, and the effective control of Parliament would be lost. The Chancellor asked for a free hand for himself. That was an unconstitutional demand; a free hand for the Chancellor meant a palsied hand of Parliament.

Now, what was the reason of the rule which had here been violated? The reason of it was that it was very much more difficult to persuade the representatives of the people to vote supplies before ways and means had been provided than it was to induce them to acquiesce in the spending of money that had been already borrowed and provided. Once the money was in the Bank the demands upon it were inexorable, and the power of resistance was nullified. To depart from the settled system of first dealing with supply, and later with ways and means for such supply was to enter upon a path predestined to extravagance and corruption. [Opposition cheers.] Then having, in the uncertain state of affairs, provided for a condition now changed, for war instead of peace, what ought they now to do? What they ought to do was to revert as quickly as possible to the normal and customary method. The moment the new state of things arose, the moment it was to be a peace Budget instead of a war Budget, the moment the position was altogether changed so far as concerned the application of a sum approximating to £40,000,000; that moment it was the duty of those responsible for the government of the country to bring down fresh Estimates for the utilisation of the money which had not been voted for purposes other than the carrying on of the war. That was the wise and prudent course, and thus they would be upholding the sound system of finance which had been departed from in this instance. The House should have specific details as to the proposed expenditure of that money. The House should not be asked to proceed further with the consideration of Ways and Means till they had received satisfaction as to estimates of Supply. To preserve the rights of the House of Commons and protect the interests of the people, they resisted further progress at this time and would certainly vote in favour of Sir Henry Fowler's Motion.



## II.—AMENDMENT LIMITING TERM OF CORN TAX. PREFERENTIAL TARIFFS.

(7.17.) MR. BLAKE said the Chancellor of the Exchequer had spoken of his serious apprehension at the mental attitude which led everybody to say not "How should we save after the war is over," but "How should we spend the money we have." It was a pity the right hon. Gentleman had not remembered that before voting on the last proposal to postpone. That was the very ground on which postponement was maintained. As to the purposes of the corn tax, there were some things in the right hon. Gentleman's speech with which he was in entire agreement. He himself had never entertained the idea that the tax had been proposed with the secret idea of converting it into a preferential tax in favour of the Colonies. It would have been a dishonourable and disingenuous action on the part of the Chancellor of the Exchequer to have proposed the tax, with any such secret object, in the words he used, or for the purposes he professed. Those words and purposes were plain, direct, and distinct, as was usual with the right hon. Gentleman, and they entirely precluded the notion that he intended to modify the tax in a way which would have reduced its productive qualities, and would at the same time have involved this great, far-reaching and most complicated question of preferential treatment. Therefore he had not believed that this could be the design of the Government. Notwithstanding that, the recent speech of the Colonial Secretary, coupled with previous utterances and movements of that right hon. Gentleman, had doubtless given rise to some anxiety; but that anxiety had in his view now been set at rest by the statement of the Chancellor of the Exchequer. He had stated plainly that it was clear that at present no mutual fiscal arrangement could be made between this country and the Colonies on the basis of free trade between the Colonies and this country. That had been perfectly obvious all these years. It was a great pity that it had not been officially recognised before, and it was extraordinary that the Colonial Secretary, of all men, should not have perceived it. However, the basis of the original proposal of the Colonial

Secretary was that of absolute free trade between the Colonies and the Mother Country, with the further suggestion that this country should thereupon impose duties as against others than the Colonies upon certain articles of very large general consumption. The first part of this proposal was, as he had said, absolutely impossible from the Colonial point of view. The second part of the proposal, the imposition of duties by this country on certain extra Colonial Imports here—which was the *quid pro quo*—the Chancellor of the Exchequer had also now plainly declared to be no part of the policy of His Majesty's Government; and in his (Mr. Blake's) view it would be a very damaging policy for this country. Thus neither the *quid* nor the *quo* were practicable. For his own part, he was not sorry. He had always been convinced that such a proposal would be one in which the mutual disadvantages far outweighed the mutual advantages. He had had occasion to look at this matter from both the Colonial and the Imperial point of view, there having been a day when he gave up his political position rather than support a policy of unrestricted reciprocity with the United States, because he thought it would in its political aspects and larger tendencies be bad for his country, leading to absorption by the States. While he would be delighted at any proposals which would enlarge the natural course of trade between the Colonies and the Mother Country, he was averse to the policy—to which the Chancellor of the Exchequer had declared the Government also to be averse—of influencing that course of trade by the unnatural restrictive method of exclusive preferential duties. This was a radically different thing from offering to lower tariff duties in favour of all nations who had done or might do likewise. That would tend towards Free Trade and the open door, while this was the reverse. He would not enter into the argument; it was enough to say that the Chancellor had knocked the bottom out of the scheme of mutually exclusive preferential tariffs. It was true the right hon. Gentleman added a few general expressions indicating that there would be no objection to



discussing some method whereby some mutual advantages should be secured, which would promote greater trade between the Colonies and the mother country, adding, however, that it was not right for him to prosecute that inquiry any further or make any suggestions then—that those were matters for the conference, and so on. The Chancellor could hardly avoid such general phrases, which, however, in face of his specific declarations, did not count. These

schemes would, doubtless, remain matters for the conference, and probably after this debate the public would hear very little more about them. As to the corn tax itself, he was fundamentally opposed to the tax; he thought it ought not to go into force at all; he thought it ought not to last even for a year; but he would rather see it on the Statute Book for a year than for all time, and, therefore, he should vote for the Amendment.

### III.—CORN TAX. PROTECTIVE AND PREFERENTIAL TARIFFS. JUNE 10TH, 1902.

(4.35.) MR. BLAKE (Longford, S.) said he would not deal at length with those minute and fine-spun arguments of which the Committee had heard so much. That place, after all, was not a debating school or a lecture room for the discussion of the minuter and more complicated details of political economy. If they dealt on sound principles with the general tendency and bearing of the tax, they would go as far as they could properly go here at present. He maintained, first of all, that this was a Protective tax, and thus objectionable. He did not care about good intentions in this matter. It was pretended to be a tax imposed only for revenue purposes, and not with a Protective design. That did not alter its nature. The intention in the proposer's mind was quite immaterial. Whatever the intentions of the proposal might be, its effect was essentially Protective or restrictive. It was said to be a doubtful question to what extent the tax would be borne by the ultimate consumer. That might be, with regard to different subjects of taxation, a highly complicated question; but when a tax was imposed on the import of an article also produced at home, its tendency always was to increase the cost of all to the consumer. He happened to have lived almost all his life in a country which was blessed with innumerable Customs duties. Sometimes they were called duties imposed for revenue, but they were always duties which no one here would call other than Protectionist. They imposed serious restrictions on the foreign producer, more or less to the advantage of the home producer, at the expense of the home consumer. The question as to the precise

extent to which a tax on a particular article fell on the consumer was, he agreed, not always answered by adding the full amount of the tax and traders' profits thereon to the charges incidental to the cost. They had always to deal with the law of supply and demand and of competition, as affected by the condition artificially produced by the restriction. There was also the higgling of the market to be taken into consideration. The desire of the foreign producer to retain the market he had made, or to make a new market, sometimes induced him temporarily to part with some portion of his large profit, and thus to reduce the increase of charge to the consumer. To that extent he made the hon. Gentleman opposite a present of the argument that there might be cases in which the foreign producer did, in a sense, temporarily bear a portion of the tax. It was useless to go into these discussions. The fact remained that the tendency was universal, and the variations of degree were, for the present purpose, immaterial.

That being the case, the present proposal was objectionable in this country, which justly boasted of being a Free Trade country, because it was the reintroduction of the Protective principle. The hon. Member for the Blackfriars Division of Glasgow pointed out that here was a case where the masses held the power if they knew it, and thus there was no danger of unjust advantage to the classes. But who pretended that the classes did not hold power far out of proportion to their numbers? Their concentrated strength, capital, and organising facilities would always give them



far more than their fair share of political power in this country, because the masses could not use the power they possessed in proportion to their real strength. The hon. Member had said that this tax was not dangerous. But the fact was that from the view of Free Traders no tax could be proposed so dangerous as the corn tax, because it gave reason to the whole manufacturing population, not agriculturists, to say, "Our bread istaxed; you alter our position for the worse; give us, too, relief." Thus if a tax upon corn were imposed the door of Protection would at once be opened, and they would be asked to tax a large number of the products, which were imported and came into competition with our own manufactures. This would be the cry of the member for Sheffield, this was why he had cheered the tax. He (Mr. Blake) would object to this tax even if it were not Protective, because it was a tax on the staff of life, on the cheapest food of the poorest persons, and pressing most of all on the poorest of all. It was all very well for the Secretary to the Treasury to call for rigorous logical demonstration before allowing weight to these arguments. But in matters of taxation it passed the wit of men to devise a symmetrical and logical system by which there would be equality of sacrifice for all classes. It was only possible to produce some very rude approximation to justice. But it was a true doctrine that the very poorest should be burdened as little as possible. In order that a man should pay taxes he must live. They must not starve the goose that laid the golden egg. It was only out of the surplus after keeping body and soul together that one could pay. But this tax hit not merely or most heavily the average mechanic, but the poorest of the poor. Then the true economic interests of the State, not less than the dictates of humanity, forbade any tax which would starve them more.

It was all very well for the hon. Gentleman opposite to say that the poor were compensated by the circumstance that the rich paid taxes which did not operate upon the poor. In the cases he was pleading for it was no compensation. But he denied that the taxes imposed on the rich had no effect on the poor, and in support of that view he would quote

words used by the Chancellor of the Exchequer on 16th May, 1900, when he made a speech in which he pointed out the virtues of economy and the serious condition of the country. The right hon. Gentleman said—

"We knew very well what happened in our private affairs if we allowed our expenditure, year by year for a series of years, to increase more than our income, and suddenly our income and our power of earning income diminished. Well, he did not say that the country would be absolutely ruined, but he did say that if we went on as we were going now, there might be very bad times in store for the people of the country, and particularly the working classes. Wealthy men could reduce their expenditure with little inconvenience. But how? By giving less employment than before, and that loss would fall upon men who wanted employment, and would be deprived, perhaps, of their daily bread."

Yes, that daily bread about which in these debates they were discussing whether it should be directly taxed or not!

"He had spoken, perhaps, at too great length on the subject, but he had spoken as he had because it was a subject on which he himself felt deeply, and was bound to feel deeply, as the Chancellor of the Exchequer, and on which it was his plain and bounden duty to speak to the country at large."

He denied that the tax could be defended by setting up that arbitrary balance which was proposed to be struck between direct and indirect taxation. He conceived that the new and absolutely arbitrary canon that there should be about equal sums levied in this country from the one source of taxation and the other, was utterly unjustifiable, because the proportion really depended upon the condition and relative ability of those who paid taxes as a whole, upon the wealth and paying capacity of the indirect as compared with the direct taxpayers, a ratio which might be one way or the other. There was thus no ground for an equal division. Besides the question was not so simple. The rich paid something in indirect taxation though to them it was a mere fleabite. The poor, as he had shown, were touched by direct taxation; it might be little, but still it might seriously affect the condition of the very poor. The dogma of the even balance between direct and indirect taxation was incapable of being supported either by reason or practical facts. Then as this corn tax would open the door more than any



other to the agitation for Protection in this country, and also to the scheme for preferential tariffs, hence it followed that the question of the permanence of the tax was a very serious thing. He accepted absolutely the declaration of the Chancellor of the Exchequer that this tax had not been proposed by the Government in view of Protection or of preferential duties. But when the tax was once put on it would give the greatest facilities to them or their successors for introducing these schemes, and when they came to consider the possibility of that danger the thing became serious indeed. Time had always made very quick changes amongst politicians as well as other persons. Still the tendencies that produced those changes were frequently manifested long before the change occurred. Changes themselves took place more rapidly in these days than formerly. And while he gave the Chancellor of the Exchequer full credit for what he said and for being determined that this tax should not be utilised in the sense and for the purpose suggested, he was not at all so sure that at some future day the tax would not be employed for the purposes which had been referred to. He was not so certain of the resisting power of the Chancellor of the Exchequer as of his absolute straightforwardness in the statement he had made as to his present intentions. It had sometimes appeared to him that the phrase applied by Bismarck to the distinguished statesman at the head of the Government was not altogether inapplicable to the Chancellor of the Exchequer; and that he was not iron, but rather a lath painted to look like iron. He had noticed even in reference to the statements the right hon. Gentleman had made the previous day and that day, certain alterations from former utterances in temper, phrase, and tone, which were very remarkable. He wished to say that his great dependence for safety in the future against the dangers to which reference had been made, and which had impressed themselves so much on so many members of the Committee, was that if they came to close grips on this subject in the Conference with the leading men of the Colonial Empire, conversant with the revenue needs of their different Colonies, it would be found

impossible to frame a system of British and Colonial preferential duties, as against the outside world, which would be at all favourable to this country, and in which the disadvantages of such a scheme would not be far greater than the advantages. And so, in his opinion, though depending on more complicated considerations, as to the Colonies themselves. The hon. Gentleman who had just sat down rather deprecated the idea of a plain expression of opinion in Parliament on this subject, before the Conference, and thus before there was any committal by the Executive Government. But he wholly differed. They ought to have plain expressions. In truth they had had some, which he rejoiced to quote. On the 24th October, 1900, the Chancellor of the Exchequer, speaking at Liverpool, after a great commercial congress had taken place, said—

“There are two subjects which stand out prominently from the debates (in the Congress), and on which I should like to say a few words. The first was a desire for a Commercial Union, a closer commercial union throughout the different parts of the Empire; the second was a greater organisation for the common defence of the Empire. Now, with regard to the first, naturally enough, there were great divergencies of opinion. The result of your discussion was somewhat indefinite, because the subject was approached by some from the Protectionist point of view, and by others from the Free Trade point of view. Gentlemen, I wish to say for myself that I am convinced that it is impossible to approach this subject from a Protectionist point of view. I do not believe in the idea of preferential duties in favour of our Colonies, as compared with foreign countries on the imports of the United Kingdom. I do not want to argue the question tonight. I think if I had to argue it I could show you that any such duties would be dangerous to the utmost degree to our foreign trade, which is essential to the prosperity of the country. But I may venture to say this much, that I entirely sympathise with the remark which I saw recently in the Press attributed to Sir Wilfred Laurier, the Prime Minister of Canada, when he said that in his opinion an Imperial Zollverein, though far distant in the future, was only possibly attainable with absolute Free Trade throughout the Empire. I am confident that this great question—and it is a great question—can only be approached and dealt with on the principle of Free Trade, and that any attempt to deal with it on any other principle is unkind and unfair to our colonists themselves, and is misleading them as to the possibility of public feeling in this country. To suppose that this country, after fifty years experience of what the freedom of taxation on imports of raw material and food means to us, will deliberately resort to the taxation of raw material and food from foreign countries is to my mind an impossibility.”



The right hon Gentleman, however, had since risen superior to his impossibilities, because he was that day pressing this tax on food from foreign countries, in the hope of triumphing in the course of a few days. Then the right hon. Gentleman went on to say—

“I do not wish to argue the question further. I wish to simply state my own opinion, that any person in our Colonies or in this country who founds his views as to the future on the possibility of any solution of this question, except on the basis of Free Trade, is founding his views on the foundation of sand, and I would not for the world have the responsibility of saying to our fellow subjects that we can deal with it on any other basis than that of Free Trade.”

So much for the Chancellor of the Exchequer, whom he only wanted by this quotation to confirm and fortify in his own views. Now he wanted to say a word in reference to the Colonial Secretary. He had seen the day before a rather amusing picture which represented the countenances, but not the other members, of two distinguished statesmen. They were sitting on a wall facing one another in a position of obvious and acute hostility. He had seen the countenance of one of those right hon. Gentlemen present at these debates, but not that of the other, on whose responsibility and utterances these debates had largely turned. But if the cat had not appeared the kitten showed, and worthily represented the parent's views. He would, however, say in justice to the Colonial Secretary, that although he had not recently refreshed his memory with reference to all that the right hon. Gentleman had said in public in the past, he did not remember to have seen any statement of his which was other than a suggestion to deal with this subject on the basis of absolute Free Trade between this country and the Colonies. The suggestion which had been made was that if there was absolute Free Trade with the Colonies, duties on articles of large consumption here, such as corn, timber, wool, and beef from foreign countries might be imposed. He remembered that as soon as the Colonial Secretary found that that principle of absolute inter-Imperial Free Trade was, as he ought to have known it must be, deemed impossible by those with whom he was conferring, his proposal was withdrawn. He had himself not observed

in any public utterance of the right hon. Gentleman any ground for the assumption that he and his colleagues would press this subject except on a basis of Free Trade throughout the Empire. He owned he thought the earlier utterances of the Chancellor meant, as the condition of a fiscal union, Free Trade not limited to the Empire. But, any way, either view was fatal to the plan now in the air. And thus there did not seem ground for active hostility at the moment between the Chancellor and the Secretary, though that might come later. It was from that point of view of Free Trade in the widest sense with all the world that he himself approached this question. In his opinion this country was critically engaged in a strenuous effort, absolutely incumbent upon her, to renew her strength, to realise her position, and to strain every nerve to promote technical education, the adaptation of supply to customers' demands, and economy in production and distribution, in a word to exhibit once again that wonderful energy, force, enterprise, and organising zeal which had made manufacturing, trading, carrying, and emigrating England the envy of the world, and thus to maintain her position. At the same time he thought there were circumstances they could not overbear, and conditions which, especially as regarded America, forbade the hope of their retaining the absolute predominance they had so long enjoyed. Yet he believed they would be able to fight their adversaries and be measurably successful, if they did not throw away their weapons, if they did not cast down the structure they had raised, if they did not destroy the foundations upon which alone they could maintain their prosperity. England's great advantage was that her policy did not rest on artificial and restrictive methods. Their position was that they rested on a solid foundation. They invited the whole world here, and got what they could of the world's trade. They not only preached, but they practised, Free Trade, as best not for themselves alone, but for all the world. But the moment they resorted to other methods they armed every Protectionist country with a weapon which all would be only too delighted to obtain. Let them keep true to the principles by

which they had triumphed; and then although the struggle must be strenuous, it would be glorious. It was because he deeply felt these things for both these islands that he deplored the introduction of a tax on the first necessary of life, with its effect on the chief raw material of manufacture—labour; a tax which, whatever the intentions of the Government might be, was in its nature and essence a

restrictive and, therefore, a Protective tax. It was because he felt deeply with regard to the impolicy and misfortune of this tax, in the burden it laid on the poor and on trade, in the dark example it set to the world, in the evil hopes it produced here and abroad, and in the leverage it gave for its own application and extension, that he should vote against it now and on every future occasion.

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